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Memorandum

TO: work2future Youth Council Committee

FROM: Chris Donnelly, Assistant
Director, work2future

SUBJECT: work2future Summer Youth
Employment Program

DATE: February 24, 2009

Approved

For

Date

Supp Report

2/23/09

RECOMMENDATION

work2future Youth Council approves staff's recommendation to administer and manage the Summer Youth Employment Program for Program Years 2009-2010, which will be funded by the 2009 Stimulus package, with funding ending by September 30, 2010.

The recommendation of the Youth Council Committee will be forwarded to the work2future Finance Committee on March 11, 2009, and the Board on March 19, 2009.

BACKGROUND AND ANALYSIS

The American Recovery Reinvestment Act (the Stimulus Bill) is anticipated to provide approximately \$1.2 billion to States to support summer employment programs through Workforce Investment Act Training and Employment Services Based on the anticipated funds from the stimulus bill, staff predicts that work2future will receive \$4.8M to operate a Youth Summer Employment Program. At this time, we have not received formal notice of our allocation; however, given the limited timeframes for obligating and spending this funding, staff is bringing forward a preliminary plan and budget with the ultimate objective of expediting implementation of received funds.

The structure of the proposed budget and spending plan is consistent with discussions at previous Committee meetings in which committee members have provided guidance and direction to staff to bring iterative budgets, based on best information available, to subsequent committee meetings, in light of limited timeframes to obligate and spend these resources.

Based on the discussion at the February Youth Council meeting, staff will bring forward as an action item a proposed budget and spending plan for approval by the Finance Committee and Board meetings in March.

Youth Summer Employment Program Overview

The proposed Youth Summer Employment Program will employ 800-1,250 WIA-eligible youth, ages 15-24, for an 8-week period from June 15, 2009 to August 14, 2009. Eligibility for the Summer Employment Program will consist of verifying eligibility for reduced or free lunch programs for in-school youth, and out-of-school youth will need to be considered under standard WIA low income guidelines. All youth will be required to participate in 40 hours of work readiness prior to completing the program; work readiness training will be the only mandated outcome of the stimulus funding for the Youth Summer Employment Program. Work readiness workshops include: identifying job skills, completing employment applications, resume development, interview skills, labor market information, industry cluster information, job retention, appropriate work behavior, and employee rights and responsibilities.

Worksite locations for youth will include: public sector sites, community based organizations, and school districts. It is anticipated that 20% of the youth placed in summer employment will come from the South County area (Gilroy, Morgan Hill and San Martin) and 80% will be from the San Jose service delivery area (Campbell, Los Altos, Cupertino, Saratoga, Los Gatos, Los Altos Hills, Monte Sereno and unincorporated areas of Santa Clara County.)

work2future Youth Summer Employment Program Target Populations:

<u>Age</u>	<u>Weekly employment hours</u>	<u>Hourly Wage</u>
15-16	24 hrs.	\$9.00
17-18	30 hrs.	\$10.00
19-24	40 hrs.	\$13.00

In addition, staff will outreach via work2future Board members, Silicon Valley Center for Non-Profits, United Way, ethnic chambers of commerce, the City of San Jose Mayor's Gang Prevention Task Force, community centers, libraries, San Jose's Youth Commission, and through a variety of public service announcements. work2future staff will outreach to all public and private schools in our Local Workforce Investment Area.

Youth Budget and Spending Plan

Based on its current local allocation of WIA Title 1 Youth funds, work2future anticipates it would receive \$4,896,728 for the Summer Youth Employment Program. These funds will support a Summer Youth Employment Program to an estimated 800 to 1250 youth this summer. Any unspent funds from 2009 will be applied to a Youth Summer Employment Program for summer 2010.

The proposed model requires hiring approximately 35 temporary unclassified personnel. Specifically, it requires 20 case managers to meet with youth, monitor their progress, manage case files and address any issues/concerns. Each case manager will manage 50 youth participants. In addition, five workshop facilitators would be hired to provide each youth with 40 hours of work readiness. Administration personnel include three MIS staff to process all necessary paperwork and one staff person to support fiscal duties as necessary.

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Given the very limited timeframes to design and roll out the Summer Employment Program, staff recommends that work2future directly operate the program in-house. Attachment 1 provides further detail as to the positions, proposed salaries, and proposed duration of employment. Total personnel costs would be \$829,228.

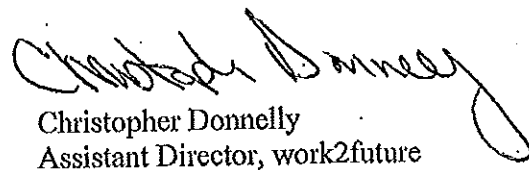
As further detailed in Attachment 1, the budget includes \$595,000 of non-personnel costs for such items as youth incentives (\$250/participant), supportive services (\$150/participant), and other expenses for supplies, printing, travel, testing materials, rentals of workstations and equipment.

A remaining \$404,873 is unbudgeted at this time, as work2future has not yet received its final allocation. If this full amount of unbudgeted funds is in fact received, the balance will be applied to support the enrollment of additional youth in the program and/or applied for the Summer 2010 program.

This scenario is based on information that is currently available through the State of California. Because this information is preliminary, the plan may change based on the final allocation received from the state.

BUDGET IMPACT

The proposed Summer Employment Program may impact work2future's Youth formula allocation by leveraging WIA Youth funds to support the need for additional staff for the Summer Youth Program (e.g., additional case managers, work readiness instructors, and support staff) based on the large number of youth to be served. The stimulus funding will fund 100% of the salaries of the projected 1250 youth in the Summer Employment Program.


Christopher Donnelly
Assistant Director, work2future

Cc: Paul Krutko
Jeff Ruster
Monique Melchor

Work2future Stimulus Planning Outline
Youth Program

Projected Funding: \$4,896,728

Start Date of Stimulus Expenditure: 30 days after the signing of the Stimulus Bill by the President, DOL will release fund to the State, local areas will be able to draw down funding soon after.

End Date of Stimulus Funding: September 30, 2010

Number of Youth to be served in Summer Employment Program: 1250

Work Locations: All work sites will be in the Public Sector (city, county, state, school Districts) and or Non – Profits.

2009 - 1000 youth

2010 - 250 youth depending on final allocation and remaining balance from 2009 summer program

20% of the anticipated youth will come from the South County Area (Morgan Hill/Gilroy)

200 - 15-16 year old youth: will work 24 per week including 4 hr. of work readiness @\$9.00

300 - 17-18 year old youth: will work 30 per week including 4 hr. of work readiness @\$10.00

500 - 19-24 year old youth: will work 40 per week including 4 hr. of work readiness @ \$13.00

Total Youth Salaries for summer 2009: \$3,067,627

Additional Staff needed/Positions:

Position	Number of Staff Needed	Rate of Pay	Duration	Weeks	Salary	Benefits	Overhead 2009-10	Position Cost	Total Personnel
MIS 50% Shared with Adult	3	20.00	4/09 - 9/30/10	72	57,600	28.5% 16,416	10,755	84,771	127,156
Fiscal 50% Shared with Adult	3	20.00	4/09 - 9/30/10	72	57,600	16,416	10,755	84,771	127,156
Case Manager	20	20.00	5/09 - 9/30/09	20	16,000	1,600	2,432	20,032	400,640
Workshop Instructors	5	20.00	5/09 - 8/30/10	12	9,600	960.00	1,459	12,019	60,095
Unit Leads	3	25.00	4/09 - 9/30/10	24	19,200	1,920	2,918	24,038	72,114
Project Manager	1	30.00	4/09 - 10/30/09	28	33,600	3,360	5,107	42,067	42,067
Total	35	-							\$829,228

Personnel Cost: 829,228

Non- Personnel

Work readiness Supplies	\$10,000
Printing	\$15,000
Travel/Mileage	\$20,000
Supportive Services (\$150.00 per participant)	\$150,000
Youth Incentives (\$250.00 per participant) completion of Work readiness Cert	\$250,000
Other Cost: Testing Materials, Rentals of workstations/Computers/Office Equipment/Facilities/Payroll ADP	\$150,000
Total	\$595,000

Non Personnel Cost: \$520,000

Total Personnel/ Non Personnel Cost: \$4,416,855 (including Youth Salaries)

The remaining \$404,873 is a buffer plus or minus, since final allocation to the local Area, has not been allocated at this time, this is our best guest estimate for work2futures allocation for the stimulus package. If the full amount is awarded the remaining \$404k will go toward serving additional Youth, or the remaining balance to be used to support a program for 2010.

Procurement Issues:

- Need to look at two locations one in San Jose and the other in South County to House Youth staff and to conduct weekly work readiness trainings- Use of Community Center or other Facilities.
- Purchasing or renting of Computer, office equipment/ workstations/ supplies to support youth staff
- Need to meet with both HR and City Finance staff to look at the possibilities of contracting out payroll to ADP or other

Other/Special Concerns:

50% of funding will need to be encumbered by June 30, 2009.

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